

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA PRIORITY

AMEMBASSY SAIGON PRIORITY

S E C R E T STATE 017633

PASS TO ASST. SECY. INGERSOLL FOR HIS INFORMATION ONLY

FOLLOWING REPEAT STATE 17633 SENT ACTION ALL NATO CAPITALS  
DUBLIN TOKYO EC BRUSSELS OECD PARIS, JANUARY 26TH:

QUOTE S E C R E T STATE 017633

E.O. 11652: GDS

TAGS:

SUBJECT: SECRETARY'S MEETING WITH NATO AMBASSADORS:  
WASHINGTON ENERGY CONFERENCE

1. APART FROM MIDDLE EAST ISSUES ONLY

OTHER TOPIC WHICH AROSE IN SECRETARY'S MEETING WITH  
NATO AMBASSADORS JANUARY 25 WAS WASHINGTON ENERGY  
CONFERENCE. THERE FOLLOWS SUMMARY OF QUESTIONS AND  
SECRETARY'S RESPONSES.

2. IN RESPONSE TO QUESTIONS FROM BELGIAN AMBASSADOR  
LORIDAN AND DANISH AMBASSADOR BARTELS, THE SECRETARY  
SAID THAT AT THE  
WASHINGTON ENERGY CONFERENCE ON FEBRUARY 11 WE ARE  
INTERESTED IN RESULTS RATHER THAN PROCEDURES. WE HAVE  
INFORMED THE INVITEES OF THE COMPOSITION OF OUR DELEGATION  
AND MADE CLEAR THAT WE APPROACH THE CONFERENCE ON  
A BROAD AND FORTHCOMING BASIS. WE HAVE NOT DECIDED  
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WHETHER UNDER SECRETARY DONALDSON WILL VISIT CONSUMER

COUNTRIES; THIS WILL BE DECIDED THIS WEEK OR EARLY NEXT WEEK. IN ANY CASE, WE WILL SHARE OUR PRELIMINARY THINKING AND INVITE THE PRELIMINARY THOUGHTS OF THE INVITEES TO HELP US IN PREPARING THE CONFERENCE.

3. OUR APPROACH, THE SECRETARY CONTINUED, WILL BE VERY BROAD. WE WILL FIRST PUT FORWARD AN ANALYSIS OF SITUATION AS WE SEE IT,

AND ADDRESS ENERGY CONSERVATION AND ALLOCATION; TECHNICAL PROGRESS RELATED TO ALTERNATE RESOURCES; FINANCIAL, MONETARY AND PRICE CONSIDERATIONS. WE ARE NOT APPROACHING THE MEETING WITH THE IDEA OF CONFRONTATION WITH THE OIL PRODUCERS. BUT IT WOULD BE ABSURD TO IGNORE THE FACT THAT THE ENERGY SITUATION IS OF CONCERN TO ALL CONSUMERS. THOUGH US IS LESS AFFECTED, AND EVEN IF THE US WERE TO FIND A WAY OUT OF THE PROBLEM, THIS WOULD NOT ALTER THE FACT THAT THE ENERGY SITUATION CONTAINS A DANGER TO ECONOMIC STABILITY AND TO THE IDEA OF THE WORLD AS A COOPERATIVE ENTERPRISE, THEREFORE THE US WISHES USE ITS OWN RESOURCES AND ROLE TO DEAL WITH IT AS A WORLD PROBLEM.

4. RESPONDING TO A QUESTION BY FRG AMBASSADOR VON STADEN, THE SECRETARY STATED THAT THE MONETARY ISSUE WOULD BE INCLUDED IN A DISCUSSION OF THE PROBLEM.

WE HAVE NO VIEW ON HOW TO ROLL BACK PRICES, BUT WE NEED TO EXAMINE WAYS TO ALLEVIATE THE EXISTING PRICE SITUATION ON ALL OF US AND SEE HOW IT CAN BE ALLEVIATED. EVEN THOSE COUNTRIES NOT WANTING TO DISCUSS PRICE ISSUE DIRECTLY WILL HAVE TO DISCUSS THE IMPACT ON THEM OF THE OIL PRICE STRUCTURE.

5. RESPONDING TO NORWEGIAN AMBASSADOR SOMMERFELT, WHO INQUIRED ABOUT THE COMPOSITION OF THE DELEGATIONS AND ASKED IF WORKING GROUPS WERE ENVISAGED, THE SECRETARY SAID THAT HE EXPECTED SOME WORKING GROUPS DURING AND AFTER THE CONFERENCE. OUR OVERRIDING  
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OBJECTIVE IN THE CONFERENCE IS TO LAY OUT A WORK PROGRAM AND PERHAPS TO ESTABLISH SOME GENERAL PRINCIPLES. SOME OF THE WORKING GROUPS AND STUDIES MIGHT BE CONTINUED AFTER THE MEETING.

6. UK CHARGE SYKES ASKED WHETHER PROBLEMS DISCUSSED AT THE ENERGY CONFERENCE MIGHT BE REMITTED TO EXPERTS -- SUCH AS, THE COMMITTEE OF 20, OECD, UN

OR WORKED OUT ON AN AD HOC BASIS. THE SECRETARY POINTED OUT THAT THE US HAD NOT REACHED ANY FINAL DECISIONS ON THE MATTER. IT MIGHT, HOWEVER, BE ADVISABLE FOR THE CONFERENCE TO RE-ASSEMBLE WITH SOME LDC CONSUMER STATES, AND THAT IN TURN COULD LEAD TO SUBSEQUENT CONTACTS WITH THE PRODUCERS. IN ANY EVENT THE US INTENDS TO INFORM THE PRODUCERS AT ONCE OF OUR TENTATIVE CONCLUSIONS AND THE WORK PROGRAM THE CONFERENCE ACHIEVES. IT IS NOT OUR DESIRE TO HAVE A CONFRONTATION AND IT IS NOT IN

THE PRODUCERS' INTEREST TO GO BEYOND WHAT THE TRAFFIC WILL BEAR.

7. IN RESPONSE TO BARTELS, THE SECRETARY COMMENTED THAT THE BASIC US ECONOMIC ANALYSES FOR USE IN THE CONFERENCE ARE BEING PREPARED BY THE TREASURY DEPARTMENT AND THAT HIGHLY QUALIFIED ECONOMIC EXPERTS WILL PARTICIPATE IN THE CONFERENCE.

8. FOR TOKYO AND DUBLIN: WE ARE CALLING IN IRISH AND JAPANESE AMBASSADORS TO INFORM THEM OF FOREGOING.

9. AFTER ABOVE DRAFTED, UNDER SECRETARY DONALDSON DID CALL IN JAPANESE AMBASSADOR YASUKAWA AND BRIEFED HIM ON FOREGOING. YASUKAWA SAID HE WOULD REPORT TO HIS GOVERNMENT IMMEDIATELY. RUSH

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